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Drug Use and Capital Accumulation

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Abstract

This paper admits that people are drug users and analyzes whether drug use affects the modified golden rule in the Ramsey model approach. The results show that in a steady state, this model's capital productivity is smaller than in the Ramsey model. However, the optimal intertemporal allocation of resources is ambiguous when the elasticity between drug use and the willingness to work is not null.

Completed draft available on request from:

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